



February 17, 2017

**BY ELECTRONIC FILING**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

**Re: NOTICE OF EX PARTE**  
**WT Docket No. 10-208:** *Universal Service Reform - Mobility Fund*  
**WC Docket No. 10-90:** *Connect America Fund*

Dear Ms. Dortch:

On February 15, 2017, Steven K. Berry and I of Competitive Carriers Association (“CCA”)<sup>1</sup> met with Federal Communications Commission (“FCC” or “Commission”) Chairman Ajit Pai; Rachael Bender, Acting Legal Advisor to Chairman Pai, Wireless; and Jay Schwarz, Acting Legal Advisor to Chairman Pai, Wireline, regarding the above-referenced proceedings. Additionally, Courtney Neville and I met with Amy Bender, Legal Advisor to Commissioner Michael O’Rielly, Wireline, and Claude Aiken, Legal Advisor to Commissioner Mignon Clyburn, Wireline, regarding the same. CCA encourages the FCC to anchor its Mobility Fund II funding decisions on accurate service data and a sound challenge process,<sup>2</sup> and avoid funding flash-cuts for legacy recipients to prevent widening the digital divide.

CCA first reiterated its recommendation that the FCC employ a data collection method and subsequent challenge process that accurately identifies which areas of the U.S. are served versus

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<sup>1</sup> CCA is the nation’s leading association for competitive wireless providers and stakeholders across the United States. CCA’s membership includes nearly 100 competitive wireless providers ranging from small, rural carriers serving fewer than 5,000 customers to regional and national providers serving millions of customers. CCA also represents approximately 200 associate members consisting of businesses, vendors, and suppliers that serve carriers of all sizes.

<sup>2</sup> See Letter from Sens. Wicker (R-MS), Manchin (D-WV), Baldwin (D-WY), Blunt (R-MO), Burr (R-NC), Capito (R-WV), Daines (R-MT), Ernst (R-IA), Fischer (R-NE), Gardner (R-CO), Heitkamp (D-ND), Johnson (R-WT), King (I-ME), Klobuchar, (D-MN), McCaskill (D-MO), Moran (R-KS), Peters (D-MI), Roberts (R-KS), Rubio (R-FL), Tillis (R-FL), Vitter (R-LA), Warner (D-VA), Wyden (D-OR), Cochran (R-MS), Boozman (R-AR), Kirk (R-IL), U.S. Senate, to The Hon. Tom Wheeler, Chairman, Federal Communications Commission (July 11, 2016), *available at* [https://apps.fcc.gov/edocs\\_public/attachmatch/DOC-341429A2.pdf](https://apps.fcc.gov/edocs_public/attachmatch/DOC-341429A2.pdf) (noting that “[i]mportantly, the FCC must rely on realistic measurements of network experience on the ground to determine areas to support.”). See also Letter from Sens. Blunt, Wicker, Moran, Ayotte (R-NH), and Fischer, U.S. Senate, to The Hon. Tom Wheeler, Chairman, Federal Communications Commission (Oct. 24, 2014) (“Ubiquitous, advanced mobile services remain a challenge, and considerable gaps persist in many rural areas.”).

unserved. Specifically, the current Form 477 process permits each reporting carrier to uniquely present their mobile broadband coverage data to the Commission,<sup>3</sup> and does not impose a requirement to disclose nor explain their Form 477 reporting methodologies.<sup>4</sup> Recognizing this process flaw, we appreciate AT&T's recent filing disclosing their Form 477 methodology by explaining that their "Form 477 Mobile Broadband Deployment data and Mobile Voice Deployment data as of June 2016 used coverage boundaries at a resolution of 90 meters."<sup>5</sup> Unfortunately, however, this does not adequately capture or address the whole reporting picture. In fact, there are a multitude of factors that determine coverage as reported on the Form 477, including resolution, propagation model, loss assumptions and performance levels, to name a few.<sup>6</sup> As a result, even small variations in the model or assumptions applied often produce dramatic changes in predicted coverage.

Conflating the problem, CCA understands that the precise design of the challenge process has yet to be determined. Even without clear standards, it is futile for the FCC to expect carriers to engage in a challenge process that is based upon irregular data. CCA therefore agrees that the Commission should seek comment on the structure and standards to be applied in the challenge process,<sup>7</sup> provide a sufficient amount of time for carriers to accurately and wholly respond during the challenge process, and adopt a procedure that does not burden smaller carriers with limited resources. Despite carriers' efforts to accurately report coverage data, the FCC must actively work to improve the methods by which coverage information is collected and reviewed, to ensure Mobility Fund II funds are responsibly dispersed to advance ubiquitous mobile broadband coverage.

Similarly critical to competitive carriers' ability to maintain and expand their network footprints, the FCC should implement a reasonable phase down period for existing Universal Service Fund ("USF") support over several years. Closing the digital divide should be the new Commission's highest priority;<sup>8</sup> to achieve this goal, however, fiscal responsibility and the realities of

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<sup>3</sup> See *ex parte* Letter from Trey Hanbury, Counsel to Competitive Carriers Association, Hogan Lovells US LLP, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 10-208 et al., (filed Oct. 25, 2016) (noting that "[a]s a result of these and other flaws, the Form 477 data provides an unreliable view of mobile broadband coverage, particularly in rural areas and areas of low-population density.").

<sup>4</sup> See *ex parte* Letter from Mary Henze, Assistant Vice President, Federal Regulatory, AT&T Services Inc., to Marlene H. Dortch, Secretary, FCC, WT Docket No. 10-208, WC Docket No. 10-90 (filed Feb. 15, 2017).

<sup>5</sup> See *id.*

<sup>6</sup> See *supra*, note 3.

<sup>7</sup> See *ex parte* Letter from Alan Buzacott, Executive Director, Federal Regulatory Affairs, Verizon, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 10-208, WC Docket No. 10-90 (filed Feb. 15, 2017).

<sup>8</sup> See Chairman Ajit Pai, *Closing Digital Divides, Boosting Broadcasting, and Reducing Regulatory Burdens*, Medium Blog, (Feb. 2, 2017), available at <https://medium.com/@AjitPaiFCC/closing-digital-divides-boosting-broadcasting-and-reducing-regulatory-burdens-cf911ee5cf16#.mt53uhby0>; and Commissioner Michael O'Rielly, *Federal Broadband Infrastructure Spending: Potential Pitfalls*, FCC Blog, (Feb. 1, 2017), available at <https://www.fcc.gov/news-events/blog/2017/02/01/federal-broadband-infrastructure-spending-potential-pitfalls>. See also Remarks of Commissioner Ajit Pai, *A Digital Empowerment Agenda*, The Brandery, Cincinnati, Ohio (Sept. 13, 2016).

deploying and maintaining wireless networks should be cornerstone considerations when reforming Mobility Fund II. A proposal to immediately flash-cut support in certain areas determined to be ineligible for the reverse auction through faulty data and a vague challenge process directly contradicts these foundational principles, and will thwart efforts to bridge the digital divide and spark competition.<sup>9</sup> Policymakers across both sides of the aisle recognize that carriers must have the certainty provided by a predictable and equitable phase down of support to complete current builds and to budget for future operations.<sup>10</sup> CCA has advocated and will continue to recommend that Mobility Fund II funds should target geographic areas without LTE, while providing sufficient transitional certainty in legacy high cost areas. We urge the Commission to follow Congress's directive and implement reasonable reforms to Mobility Fund II.

This *ex parte* notification is being filed electronically with your office pursuant to Section 1.1206 of the Commission's Rules. Please do not hesitate to contact me with any questions or concerns.

Respectfully submitted,

/s/ Rebecca Murphy Thompson

Rebecca Murphy Thompson  
EVP & General Counsel  
Competitive Carriers Association

cc (via email): Hon. Ajit Pai  
Rachael Bender  
Jay Schwarz  
Claude Aiken  
Amy Bender

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<sup>9</sup> See *ex parte* Letter from Christopher J. Wright, Counsel to Competitive Carriers Association, Harris, Wiltshire & Grannis, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 10-208, WC Docket No. 10-90 (filed Feb. 16, 2017).

<sup>10</sup> See Letter from Sens. Roger Wicker (R-Miss.), Joe Manchin (D-W.Va.), Tammy Baldwin (D-Wis.), Michael F. Bennet (D-Colo.), Roy Blunt (R-Mo.), Richard Burr (R-N.C.), Maria Cantwell (D-Wash.), Shelley Moore Capito (R-W.Va.), Bob Casey (D-Pa.), Thad Cochran (R-Miss.), Catherine Cortez Masto (D-Nev.), Dick Durbin (D-Ill.), Joni Ernst (R-Iowa), Deb Fischer (R-Neb.), Al Franken (D-Minn.), Cory Gardner (R-Colo.), Heidi Heitkamp (D-N.D.), Dean Heller (R-Nev.), John Hoeven (R-N.D.), Ron Johnson (R-Wis.), Angus King (I-Maine), Amy Klobuchar (D-Minn.), Jeff Merkley (D-Ore.), Jerry Moran (R-Kan.), Gary Peters (D-Mich.), Pat Roberts (R-Kan.), Thom Tillis (R-N.C.), Elizabeth Warren (D-Mass.), Ron Wyden (D-Ore.), and Todd Young (R-Ind.), U.S. Senate, to The Hon. Ajit Pai, Chairman, Federal Communications Commission (Feb. 2, 2017), ("Senate Letter to Renew Efforts to Close the Rural Broadband Gap").